



AD-A272 632

July 1, 1963  
NUMBER 7360-6 7060-1

ASD(Comp)

## Department of Defense Directive

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**SUBJECT** Department of Defense Transactions Entering the  
International Balance of Payments

Refs: (a) DoB Circular A-58, "Estimates and Reports on International Transactions", February 23, 1963  
(b) Budget-Treasury Regulation #4 - Relating to Reports of Cash Transactions Abroad Issued Under Executive Order 9084, dated September 15, 1944

### I. PURPOSE

To establish policies and assign responsibilities for the Department of Defense program for the management and control of transactions entering the international balance of payments.

### II. BACKGROUND

During the past several years, there has been a continuing deficit in the United States balance of payments. In view of the magnitude of Department of Defense transactions which enter the international balance of payments, it is essential that Department of Defense programs be continually reviewed and, consistent with the national interest, managed with the objective of reducing the United States deficit. Department of Defense payments and receipts which enter the international balance of payments include transactions such as those with foreign governments, foreign nationals, foreign corporations, foreign subsidiaries and branches of United States corporations, international organizations, and the personal expenditures in foreign countries of Defense Department military and civilian personnel and their dependents.

### III. APPLICABILITY

The provisions of this Directive apply to all components of the Department of Defense.

This document has been classified for public release and subject to distribution.

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#### IV. RESPONSIBILITIES

- A. The Assistant Secretary of Defense (Comptroller) is responsible for the direction and coordination of the Department of Defense program for balance of payments matters, including:
  1. Development and issuance of the programming, budgeting, accounting, and reporting procedures required for management within the Defense Department of international balance of payments transactions and for meeting the reporting requirements imposed in this area by other governmental agencies and international organizations.
  2. Establishment of control measures necessary for effective management of Defense transactions entering the international balance of payments.
  3. Such other actions as are necessary to meet the objectives of the program.
- B. The Secretary of each military department and the head of each other component of the Department of Defense will:
  1. Assure that responsibilities for all aspects of the management and control of transactions entering the international balance of payments area are clearly defined, assigned, and understood within his organization.
  2. Take all feasible steps within his assigned area of responsibility, consistent with the national interest and Department of Defense policy, to reduce payments and increase receipts entering the international balance of payments.
  3. Recommend to the Assistant Secretary of Defense (Comptroller) those measures which are beyond his own authority to effect, but which are believed to be feasible and which would serve to reduce the United States balance of payments deficit.

#### V. POLICIES

##### A. General

1. The Department of Defense program for the management and control of transactions entering the international balance of payments will include a programming, budgeting, accounting, and reporting system. This system will provide for:

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- a. Estimating future payments and receipts by each Department of Defense component.
  - b. Establishing targets and related controls.
  - c. Accounting for payments and receipts.
  - d. Department of Defense-wide reporting on transactions.
  - e. Evaluation and explanation of deviations between targets and estimates and actual payments and receipts.
2. The system will utilize uniform criteria, definitions, and procedures.
  3. The elements of this system will be an integral part of the over-all system of management within the Department of Defense.

B. Estimates

1. Estimates submitted by the Department of Defense components will be consistent with approved programs and policies, including those relating to deployment of military forces overseas and the procurement of goods and services in support of military forces and military assistance. Estimates will reflect measures taken to reduce payments and increase receipts in accordance with Department of Defense policies.
2. Estimates submitted by each Department of Defense component will form the basis for:
  - a. Considering balance of payments impact involved in Department of Defense financial plans, budget estimates, and changes to the Five Year Force Structure and Financial Program.
  - b. Establishing targets.
  - c. Developing over-all Department of Defense balance of payments estimates to be submitted to the Bureau of the Budget under the provisions of Bureau of the Budget Circular A-58 (Reference a).
  - d. Reporting estimates to other agencies and international organizations.

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3. Estimates submitted by Department of Defense components will identify transactions for designated countries, geographical areas, or international organizations, as well as for the over-all total.

C. Targets and Related Controls

1. Based on the estimates of future payments and receipts, targets will be established by the Secretary of Defense or his designee for each Department of Defense component. These targets will be established prior to the operating period to which they pertain, except that targets covering FY 1964 need not be established prior to July 1, 1963. As a minimum, targets will be established for total payments and total receipts for each Military Department and other Department of Defense component for each fiscal year. As appropriate, targets will also be established for more frequent periods and by individual country or geographical area within the total for each Department of Defense component.
2. Department of Defense components will take all practicable measures to assure that payments do not exceed the established targets and that receipts meet or exceed the targets.
3. Targets will not be considered as administrative subdivisions of funds under the provisions of Section 3679, Revised Statutes.

D. Accounting and Reporting

1. The accounting and reporting of transactions entering the international balance of payments will, insofar as practicable, be an integral part of existing financial accounting and reporting systems.
2. The determining of transactions which enter the international balance of payments will be in accordance with uniform criteria to be prescribed in applicable Department of Defense issuances.
3. Each transaction will be identified with a country, geographical area, or international organization, as appropriate.
4. Reports of actual transactions will be used to:

- a. Review progress in meeting targets and achieving programs to reduce the adverse balance of Department of Defense transactions entering the international balance of payments.
- b. Meet the reporting requirements of outside agencies and international organizations, including the North Atlantic Treaty Organization and the South East Asia Treaty Organization.

VI. EFFECTIVE DATE

This Directive is effective upon publication.

*Robert S. McNamara*

Secretary of Defense

*Maurice W. Roche*

# DEPARTMENT OF DEFENSE

*C, DoD  
66-1589*

## DIRECTIVES SYSTEM TRANSMITTAL

NUMBER <b>7360-6 - Ch 1</b> <i>7060.1</i>	DATE <b>December 16, 1964</b>	DISTRIBUTION <b>7000</b>
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### ATTACHMENTS

None

### INSTRUCTIONS FOR RECIPIENTS

#### NOTIFICATION OF NUMBER REDESIGNATION

Change the number of DoD Directive 7360. 6, "DoD Transactions Entering the International Balance of Payments," July 1, 1963, to 7060.1.

There is expected to be published a series of DoD Issuances on Balance of Payments, the first of which was published today, "DoD Instruction 7060. 2, Budgeting, Accounting, Reporting, and Managing DoD Transactions Entering the International Balance of Payments".

*Maurice W. Roche*  
MAURICE W. ROCHE, Director  
Correspondence and Directives Division, OASD(A)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

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C, DoD  
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# DEPARTMENT OF DEFENSE

## DIRECTIVES SYSTEM TRANSMITTAL

NUMBER	DATE	DISTRIBUTION
7060.1 - Ch 2	July 24, 1968	7000 series

### ATTACHMENTS

Pages 1 and 2 of DoD Directive 7060.1, Jul 1, 63.

### INSTRUCTIONS FOR RECIPIENTS

The following page and pen changes to DoD Directive 7060.1, "Department of Defense Transactions Entering the International Balance of Payments," dated July 1, 1963, have been authorized, effective immediately:

#### PAGE CHANGES

Remove: Pages 1 and 2

Insert: Attached replacement pages.

Current changes appear on page 1 and are indicated by marginal asterisks. Previous change to page 1 has been incorporated.

#### PEN CHANGE

Page 5 - Add new subparagraph IV. D. 4. c., as follows:

"c. Report data to Department of Commerce, pursuant to reference (b)."

*Maurice W. Roche*

MAURICE W. ROCHE  
Director, Correspondence and Directives Division  
OASD(Administration)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

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July 1, 1963 #  
NUMBER 7060.1

ASD(Comp)

## Department of Defense Directive

**SUBJECT** Department of Defense Transactions Entering the  
International Balance of Payments

\* Refs: (a) BoB Circular A-58, Rev., "Estimates and Reports on  
\* International Transactions," April 12, 1968 \*  
\* (b) BoB Circular A-64, "Reports to the Department of  
\* Commerce on International Transactions," March 5,  
\* 1968 \*

### I. PURPOSE

To establish policies and assign responsibilities for the Department of Defense program for the management and control of transactions entering the international balance of payments.

### II. BACKGROUND

During the past several years, there has been a continuing deficit in the United States balance of payments. In view of the magnitude of Department of Defense transactions which enter the international balance of payments, it is essential that Department of Defense programs be continually reviewed and, consistent with the national interest, managed with the objective of reducing the United States deficit. Department of Defense payments and receipts which enter the international balance of payments include transactions such as those with foreign governments, foreign nationals, foreign corporations, foreign subsidiaries and branches of United States corporations, international organizations, and the personal expenditures in foreign countries of Defense Department military and civilian personnel and their dependents.

### III. APPLICABILITY

The provisions of this Directive apply to all components of the Department of Defense.

#Second Amendment (Ch 2, 7/24/66)



#### **IV. RESPONSIBILITIES**

- A. The Assistant Secretary of Defense (Comptroller) is responsible for the direction and coordination of the Department of Defense program for balance of payments matters, including:**
  - 1. Development and issuance of the programming, budgeting, accounting, and reporting procedures required for management within the Defense Department of international balance of payments transactions and for meeting the reporting requirements imposed in this area by other governmental agencies and international organizations.
  - 2. Establishment of control measures necessary for effective management of Defense transactions entering the international balance of payments.
  - 3. Such other actions as are necessary to meet the objectives of the program.
- B. The Secretary of each military department and the head of each other component of the Department of Defense will:**
  - 1. Assure that responsibilities for all aspects of the management and control of transactions entering the international balance of payments area are clearly defined, assigned, and understood within his organization.
  - 2. Take all feasible steps within his assigned area of responsibility, consistent with the national interest and Department of Defense policy, to reduce payments and increase receipts entering the international balance of payments.
  - 3. Recommend to the Assistant Secretary of Defense (Comptroller) those measures which are beyond his own authority to effect, but which are believed to be feasible and which would serve to reduce the United States balance of payments deficit.

#### **V. POLICIES**

##### **A. General**

- 1. The Department of Defense program for the management and control of transactions entering the international balance of payments will include a programming, budgeting, accounting, and reporting system. This system will provide for:

# DEPARTMENT OF DEFENSE

## DIRECTIVES SYSTEM TRANSMITTAL

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NUMBER 7060.1, Ch 3(REPRINT)  
supersedes Ch 1, 12/16/64  
and Ch 2, 7/25/68)

DATE

June 16, 1969

DISTRIBUTION

7000 series

### ATTACHMENTS

Reprint of DoD Directive 7060.1, 7/1/63

### INSTRUCTIONS FOR RECIPIENTS

Attached is a REPRINT of DoD Directive 7060.1, "Department of Defense Transactions Entering the International Balance of Payments," dated July 1, 1963, incorporating authorized changes to pages 1, 3 and 4, which are indicated by marginal asterisks.

The reprinted Directive should be substituted for copies of 7060.1 originally distributed.

### EFFECTIVE DATE AND IMPLEMENTATION

This change is effective immediately. Two copies of implementing instructions shall be forwarded to Assistant Secretary of Defense (Comptroller) within sixty (60) days.

*Maurice W. Roche*

MAURICE W. ROCHE

Director, Correspondence and Directives Division  
OASD(Administration)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

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  - \* b. Establishing appropriate controls. \*
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  - \* e. Evaluation and explanation of deviations between estimates and actual payments and receipts. \*
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  - \* a. Considering balance of payments impact involved in Department of Defense financial plans, budget estimates, and changes to the Five Year Defense Program. \*
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  - \* c. Reporting estimates to other agencies and international organizations. \*

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Secretary of Defense